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ADEM Creating List of Supplemental Environmental Projects

The Alabama Department of Environmental Management is working to create and maintain a Supplemental Environmental Project (SEP) Bank. The SEP Bank will contain a list of pre-approved beneficial environmental projects that may be implemented during the course of future litigation or in the settlement of major enforcement actions. The creation of ADEM's Bank will allow beneficial environmental projects to be approved and "deposited" into the SEP Bank for future consideration and implementation. SEP Bank projects will be completed at no cost to taxpayers.

Once the SEP Bank has been established and projects have been approved or "deposited", an entity (e.g., industry, corporation, or municipality) that is assessed a civil penalty for noncompliance with environmental regulations will be allowed to "withdraw" and implement one of the beneficial environmental projects by agreeing to pay the cost of implementation. Implementing environmental projects that have been deposited into the SEP Bank will benefit the environment and the local community and allow the violating entity to offset a portion of the assessed civil penalty.

A SEP is defined as an environmentally beneficial project that a violator agrees to undertake as part of the settlement of an enforcement action. Because a SEP is part of a settlement action, it must also meet certain legal requirements. There must be a relationship between the underlying violation and the human health or environmental benefits that will result from implementing the SEP. It must also improve, protect, or reduce risks to public health or the environment. The SEP must also be a project that the violator is not required to perform in the normal course of compliance or to remediate the effects of a violation. In addition, the implementation of any SEP is subject to ADEM approval.

For a SEP Bank project to be approved, it must meet certain qualifications and it must result in an improvement in the environment and/or in the protection of public health. A SEP Bank project may include pollution prevention efforts, pollution reduction efforts, energy efficiency efforts, renewable energy efforts, environmental restoration/protection, or emergency planning and preparedness activities.

According to ADEM Director Trey Glenn, "The development of a SEP Bank is an idea that we have been discussing for several years. We have looked at SEP Banks that have been created in other states and we have discussed this issue with EPA and environmental agencies in other states. We are confident that the creation of a SEP Bank in Alabama will result in the implementation of environmental projects at the local level that will benefit our natural resources and the health of our citizens."

(-more-)

(ADD ONE)

ADEM is currently collecting project ideas from interested parties for inclusion in the new SEP Bank. The SEP Bank will be compiled and maintained by the ADEM Office of General Counsel for consideration in future enforcement cases where the implementation of a SEP may be appropriate. In instances where enforcement actions are warranted, Permittee representatives and ADEM staff may use the SEP Bank as a resource. Anyone interested in submitting a project idea for ADEM review and potential deposit into the SEP Bank should review the Department's General SEP Guidelines and also the SEP Bank Guidelines. Links to these guidelines are presented below, along with a link to the application form.

[ADEM General SEP Guidelines](#)

[ADEM SEP Bank Guidelines](#)

[SEP Bank Application](#)

If you have any questions about the SEP Bank, contact Jim Grassiano at (334) 279-3071.

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